

26/11/2020

Deposits of Lithuanian residents continued to grow rapidly

Today, the Bank of Lithuania published the monetary financial institution (MFI) balance sheet and interest rate data for October 2020, which show that:

deposits of Lithuanian residents with credit institutions rose¹ by €939.9 million over the month (€6.1 billion year on year), to €29.8 billion at the end the month. Non-financial corporation and household² deposits increased by €735.5 million and €436.6 million respectively over the month. Financial sector³ and general government deposits reduced by €169.4 million and €63.0 million respectively month on month. Deposits from these sectors amounted to €8.8 billion, €17.0 billion, €688.3 million and €3.3 billion respectively at the end of the month (see Chart 1);

overnight deposits of Lithuanian non-financial corporations and households with credit institutions increased by €720.8 million and €443.3 million respectively over the month, to €8.5 billion and €13.2 billion respectively;

loans granted by credit institutions to Lithuanian residents decreased by €56.3 million over the month (€383.5 million over the last eight months), to €20.1 billion at the end of the month. Loans to Lithuania's non-financial corporations and financial sector reduced by €108.4 million and €2.1 million respectively, while loans to households and the general government sector grew by €48.5 million and €5.7 million respectively. Loans to these sectors amounted to €7.7 billion, €1.1 billion, €10.9 billion and €333.7 million respectively at the end of the month (see Chart 2);

loans for house purchase granted by credit institutions to Lithuanian households increased by €71.9 million, while loans for consumption and other purposes decreased by €7.5 million and €15.9 million respectively – to €9.0 billion, €737.8 million and €1.2 billion respectively (see Chart 3);

interest rates⁴ on new business⁵ loans granted to households by credit institutions fell by 0.38 percentage point over the month – to 3.23%. Interest rates on loans for house purchase and other purposes decreased by 0.05 and 2.10 percentage points respectively, while interest rates on loans for consumption increased by 0.43 percentage point. In July 2020, interest rates on these loans stood at 2.28%, 4.01% and 9.01% respectively (see Chart 4).

¹ Unless otherwise specified, monthly changes in euro are presented as transactions, i.e. they are calculated by taking the difference between end-of-month outstanding amounts and then removing the effects of revaluation adjustments, exchange rate adjustments, loan write-offs and reclassifications.

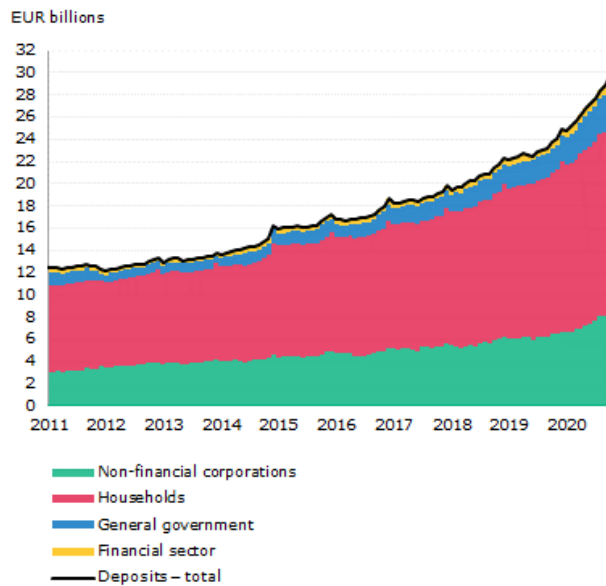
² The household sector consists of households and non-profit institutions serving households.

³ The financial sector consists of Lithuania's investment funds and other financial intermediaries, as well as insurance undertakings and pension funds.

⁴ Weighted interest rates on new business during the reporting month, in percentages per annum.

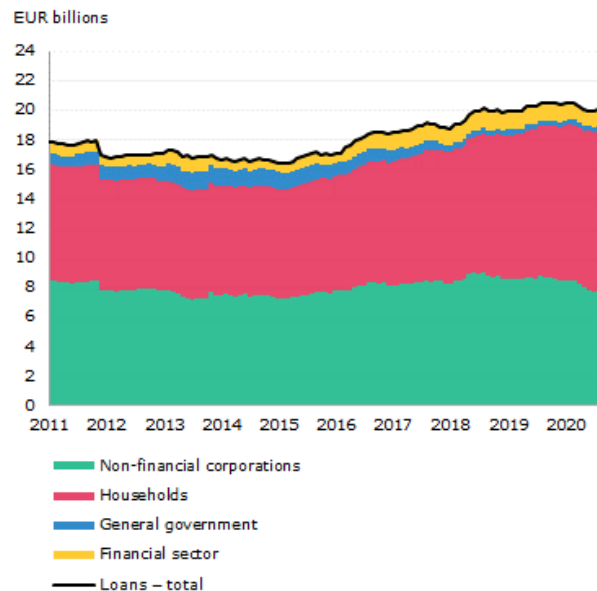
⁵ New business covers financial contracts that specify for the first time the interest rate on a loan, and renegotiations of existing loan contracts. New business does not cover revolving loans and overdrafts, as well as credit card debt.

Chart 1. Deposits of Lithuanian residents, excluding MFIs, with other MFIs (outstanding amounts, end-of-period)



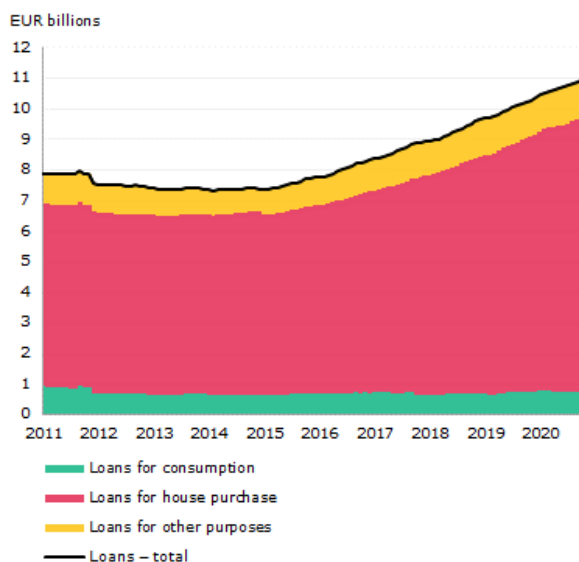
Source: Bank of Lithuania.

Chart 2. Loans granted by other MFIs to Lithuanian residents, excluding MFIs (outstanding amounts, end-of-period)



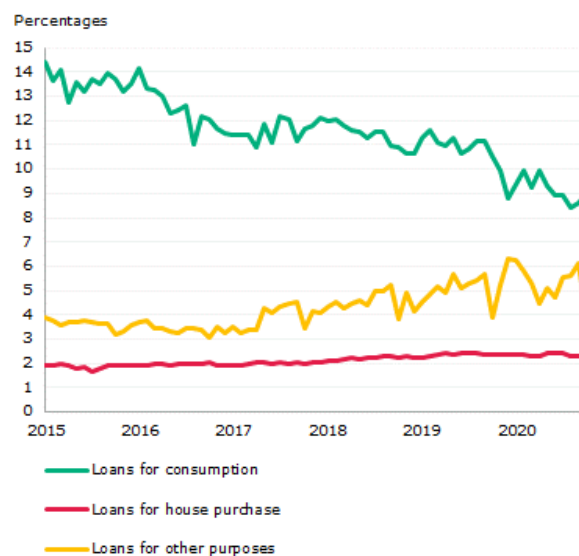
Source: Bank of Lithuania.

Chart 3. Loans granted by other MFIs to Lithuanian households (outstanding amounts, end-of-period)



Source: Bank of Lithuania.

Chart 4. Interest rates on new loans for households (percentages per annum)



Source: Bank of Lithuania.

Detailed data on MFI assets and liabilities is available on the Bank of Lithuania website under [MFI balance sheet and monetary statistics](#).

Detailed data on MFI interest rates is available on the Bank of Lithuania website under [MFI interest rate statistics](#).